C1850-3

R&I DESIGN AWARDS: KITCHEN FACILITIES WINNERS...50

Food Chronicles: As American as pizza pie.....100

Chains: The dangerous downside of discounting.....133

How to streamline your menu with one-dish meals....154

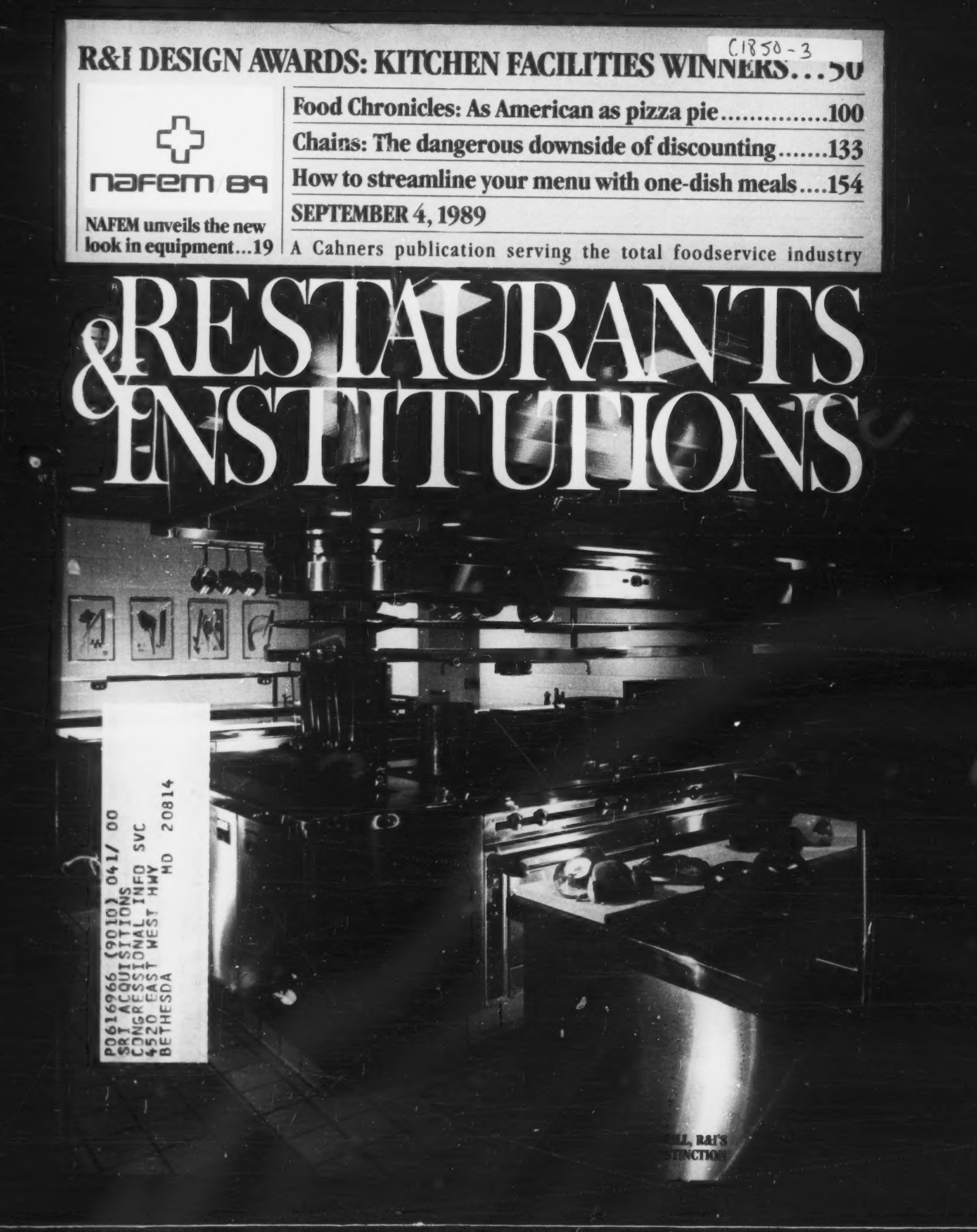
NAFEM 89

NAFEM unveils the new look in equipment...19

SEPTEMBER 4, 1989

A Cahners publication serving the total foodservice industry

RESTAURANTS & INSTITUTIONS



PD616966 (9010) 041/ 00
SRI ACQUISITIONS
CONGRESSIONAL INFO SVC
4520 EAST WEST HWY
BETHESDA MD 20814

...L, R&I'S
...TINCTION

SEPT. 4, 1989

CONTENTS

VOL. 99 NO. 23

Restaurants & Institutions: winner of more Neal Awards than any other foodservice magazine.

BRIEFINGS
A summary for busy readers 9

COMMENTS
New at NAFEM . . . 19
Operations in this issue 19

VIEWPOINT
A "Culina-ry" tale 22

R&I FORUM
Letters 24

R&I REPORT
Labor: Attractive uniforms provide needed dose of self-respect 28
Food Costs: Operators relay impact of last summer's drought 32
Legislation: Disabilities bill called "vague" 36
Economic Experts: Building plans offer clues to trends in foodservice growth 40

R&I SCENE
People, Places & Promos 45
Personal Glimpse: Paul Dobson 48

R&I EXCLUSIVE
Facilities Planning: 1989 kitchen design awards 50

MENUS
Menu Concepts: Bay Street's summer menu piques customer curiosity 95
Consumers' Choice: Veggie lovers 98

TASTE
American Cuisine: Pizza (another in *R&I*'s Great American Food Chronicles series) 100

CHAINS
Marketing: Competive pressure makes couponing a necessary evil 133

FOOD
Entrees: All in one dish 154
Healthline 168

MARKETPLACE
Buyers Mart: Products 173

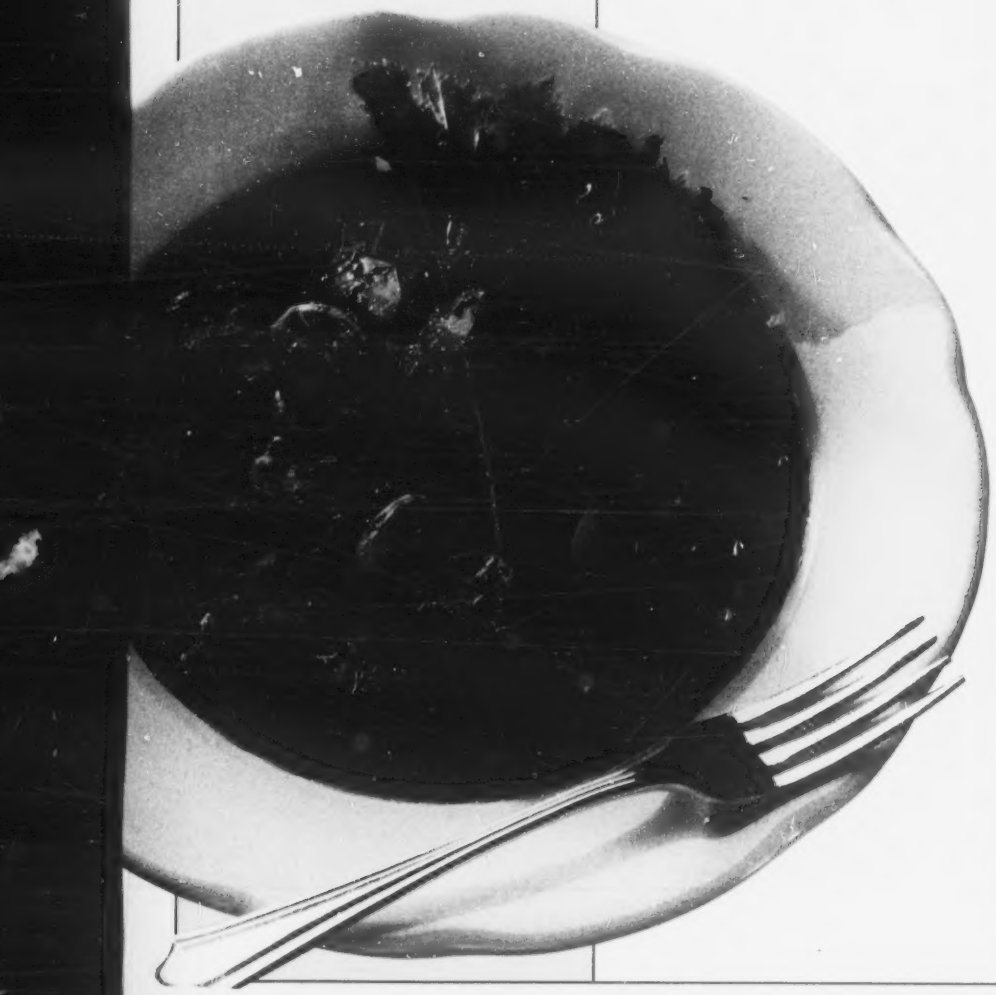
CLASSIFIED ADS
Buying, selling, changing jobs 197

ACTION EXPRESS
For more information about products 204

ADVERTISERS INDEX
Where to find ads in this issue 204

READER SERVICE CARD
To send for more information 205

Foodservice Energy News, a service of the American Gas Association, follows page 144.



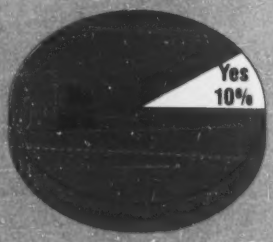
Duck breast stew with strawberries and shallots from L' Etoile in Madison, Wis.

COMMERCIAL

DID YOU RAISE PRICES AS A RESULT OF '88 DROUGHT?

A total of 24.5% of all operators responding to *R&I*'s May survey say they raised menu prices because of the 1988 drought. Only 10% of institutional operators, however, were forced to increase prices, compared to 35% of commercial operators. Another 19% say they plan to boost prices between May and November as a result of last summer's dry weather. Again, more commercial operators (29%) are planning increases.

INSTITUTIONAL



■ FOOD COSTS

Operators Relay Impact of Last Summer's Drought

Full-service, college segments among the hardest hit by 1988's dry spell.

Mother Nature has been gentle on the nation's crop and livestock supply this summer, a positive sign for operators concerned about escalating operating costs and menu prices.

But a *Restaurants & Institutions* survey conducted in May asking operators to look back at the impact of the 1988 drought shows that 66% (60% commercial, 75% institutional) experienced higher than normal increases in food costs.

Sixty percent of full-service operators saw food costs take a big jump, compared to 55% among fast-food units. Among institutions, 90% of college and employee-feeding programs experienced food-cost increases as a result of last year's drought, compared to 70% for schools and just 50% for hospitals.

More than one-quarter of the survey respondents say food costs remained the same. But of those who say their food costs increased, 85% state that meat prices increased and 79% say dairy and vegetable prices showed upward price pushes.

The survey also reveals that average food-cost increases ranged from a high of 10% for fruit to a low of 5.3% for dairy products, resulting in a 5.9% overall increase in menu prices. Commercial operators were more bold in their price increases (6.1% commercial, 5% institutional). Both full-service and fast-food operators have bumped prices about 6.8%, but the hotel/motel segment reports holding increases to 3%.

About 25% of the operators (35% commercial, 10% institutional) increased menu prices as a result of the drought. Another 19% are expected to raise prices an average of 7% by the fall.

When asked about the potential effect if another drought strikes in 1989, 71% of survey respondents (67% commercial, 77% institutional) foresee increases in their food costs. Again, more full-service operators (85%) anticipate higher food costs than other commercial segments. Also, 100% of college operators would expect higher food costs.

About 52% (55% commercial, 47% institutional) would expect to increase menu prices if dry weather hurts crop and livestock production in 1989.

However, through July, the weather had been kinder to crops, and commodity experts expected a better fruit and vegetable crop. Because planted acreage increased, the amount of feed available for livestock also was expected to increase. —*J.W.*

AVERAGE FOOD-COST INCREASES

As a result of the 1988 summer drought, respondents to a *Restaurants & Institutions* survey report food-cost increases ranging from 10% for fruit to 5.3% for dairy products.

	Total	Commercial	Institutional
Fruits	9.99%	10.42%	9.69%
Poultry	9.74	9.30	10.47
Vegetables	9.19	9.20	9.17
Meats	8.44	8.05	8.94
Fish/seafood	8.42	8.18	8.72
Dairy products	5.34	5.78	4.85

© 1989 *Restaurants & Institutions*, a Cahners publication.

■ ECONOMIC EXPERTS

Building Plans Offer Clues to Trends in Foodservice Growth

Growth in construction-permit activity points to steady growth through '91.

Trends in the construction of retail, office, hotel, hospital and educational facilities can, indirectly, be a leading indicator for the future supply of foodservice establishments in these industry segments. Here is a look at the Cahners Economics forecast for building activity over the next couple of years.

Non-residential construction spending in the first four months of 1989 was 8.4% above year-earlier levels. Spending averaged $127.8 billion at a seasonally adjusted annualized rate. All sectors posted gains: Commercial building grew 6.9%, institutional construction rose 8.8% and industrial activity jumped 14.3%.

The value of permit activity over the same period indicates a similar pattern of growth. Permits for new commercial buildings were up 3.4%, institutional permits grew 6.5% and industrial permits were up 18.3%. This is a strong indication that moderate growth will continue the next few years.

Growth also is fairly well distributed across the country. So far this year, the Northeast, Midwest and West each account for about one-third of the year-over-year increase in nonresidential building permits. Activity in the South, however, remained flat.

In the overbuilt hotel and motel industry during 1988, mergers, acquisitions and consolidations were the rule as opposed to new construction. With occupancy rates firming up, however, new development should regain momentum. After a 10.6% drop in 1988, spending will remain flat this year, then rise by about 5% each year in the 1990-1991 period.

Over the next several years, the slump in home building, which began in 1987, will retard retail building. So far in 1989, permit values have declined 6.3% against year-earlier levels, with declines in all regions but the Northeast. After falling another 1.4% in 1989, spending should average 2.3% growth per year during 1990-1991.

The continued shake-up in the way health care is delivered to the public has some parts of the industry reeling while others are booming. Hospital construction continues to be weak because of changes in the Medicare system's method of reimbursement. Non-traditional segments of health care, on the other hand, are growing rapidly. Overall, spending for health-care construction will decline 6.4% this year to $8.9 billion. Next year, spending will fall another 4% before reversing to a 5.6% gain in 1991.

Eighty percent of spending for education construction came from state and local governments in 1988. Unfortunately, government coffers, which have been strong since 1985, will begin to dry up in the 1990s. In addition, the baby boomlet (baby boomers having children of their own) will begin to ease during the 1990s as many baby boomers move out of their child-bearing years. As a result, spending for new educational buildings will begin to slow. In 1989, spending will grow 8.9% to $15 billion. In 1990, spending will remain flat, and 1991 will bring a 3.1% decline. —*Kim Kennedy*

NON-RESIDENTIAL CONSTRUCTION SPENDING
(Billions of dollars)

After a year of minimal growth in 1990, foodservice should benefit from renewed momentum in construction spending in 1991.

	1989	1990	1991
Retail	$27.8	$28.4	$29.0
Office	27.3	25.1	26.2
Hotel	6.6	6.7	7.2
Total commercial	**61.6**	**60.2**	**62.4**
Total industrial	**14.9**	**15.1**	**15.8**
Health	8.9	8.5	9.0
Education	15.0	15.1	14.6
Other	21.5	24.5	27.2
Total institutional	**45.4**	**48.1**	**50.8**

Source: U.S. Commerce Department. Forecast: Cahners Economics.

ACTION EXPRESS

MAGAZINE DIVISION STAFF

Terrence McDermott, President; Charles E. Moodhe, Senior Vice President/General Manager; Peter T. Orsi, Senior Vice President; Thomas J. Dellamaria, Vice President Production and Manufacturing.

BUSINESS STAFF

Barry H. Reese, Publishing Director; Jane Young Wallace, Vice President/Publisher; Steven D. Mayer, Director of Marketing; Catherine Erickson, Associate Director of Marketing; Corinne Zollars, Assistant to Sales/Marketing Director; M.R. Robinson, Vice President Foodservice Research; Karen Hallberg, Foodservice Research Director; Ed Christ, Circulation Director; Denise Stolton, Circulation Manager.

BUSINESS OFFICES

Mark A. Strauss, National Sales Director. **Midwest:** Rose Deneen, National Sales Coordinator; Candice J. Hammett, Regional Manager; John W. Maisel, Regional Manager; Marjorie S. Maca, District Manager; Susan Kallas, Sales Services Manager; Patricia McGowan, Recruitment/Classified Advertising Manager, Cahners Plaza, 1350 E. Touhy Ave., P.O. Box 5080, Des Plaines, IL 60017-5060. Phone: (312) 635-8800. **East Coast:** Robert Fisk, Regional Manager; William Lazar, Regional Manager, 8 Stamford Forum, P.O. Box 10277, Stamford, CT 06904-2277. Phone: (203) 328-2547. Michael Cardello, Regional Manager and National Sales Manager/Beverage Alcohol, 249 W. 17th St., New York, NY, 10011-5301. Phone: (212) 463-6480. **Central Area:** Jerry Stiegler, Regional Manager, 1621 Euclid Ave., Cleveland, OH 44115-2186. Phone: (216) 696-1800. **Southeast:** Thomas McElhinny, Regional Manager, Suite 395, 6520 Powers Ferry Rd., Atlanta, GA 30339-2911. Phone: (404) 955-6500. **West Coast:** John Barkan, Regional Manager, Room 1007, 582 Market St., San Francisco, CA 94104-5311. Phone (415) 981-2594. Rebecca Roberts, Regional Manager, 18818 Teller Ave., #170, Irvine, CA 92715-1679. Phone: (714) 851-9422. **Southwest:** Thomas McElhinny, Regional Manager, 12127 Carriage Hill Dr., Houston, TX 77077-2508. Phone: (713) 497-1095. Michael Cardello, Regional Manager, Suite 515, 13740 Midway Road, Dallas, TX 75244-4314. Phone: (214) 980-0318. **Japan:** Kaoru Hara, Dynaco International Inc., Suite 1003—Sun-Palace Shinjuku, 8-12-1 Nishishinjuku Shinjuku-ku, Tokyo 160, Japan. Phone: (03) 356-8301.

FOR YOUR OWN COPY OF RESTAURANTS & INSTITUTIONS

Call (303) 388-4511 or circle 500 on the Reader Service Card.

ADVERTISING INDEX

For more information on the products advertised and featured in this issue, circle the number indicated on the Reader Service Card.

Advertiser	Inquiry No.
Allen Canning (p.46-47)	18
Alto-Shaam, Inc. (p.91-94)	34,35,36,37
American Egg Board (p.183)	76
American Gas Association (p.145-152)	190,235-240
American Gas/Midco Int'l., Ember-Glo® Division (p.144)	65
American Permanent Ware, Inc. (p.73)	25
American Wyott, Inc. (p.179)	74
Anchor Hocking Foodservice (p.123)	52
B.K. Industries (p.188)	80
Beef Industry Council (p.165-167)	68
Bell Atlantic Corp. (p.170-171)	70
Bil Mar Foods, Inc. (p.99)	39
Borden Foodservice Real Lemon (p.49)	19
Buffalo China, Inc. (p.175)	72
CPC Foodservice, Knorr (p.185)	77
Calavo Foods, Inc. (p.41-44)	15,16,17
Calavo Growers of California (p.37-39)	13,14
California Avocado Commission (p.124-125)	53
Cambro Mfg. Co. (p.96-97)	38
Campbell Soup Co. (p.135,137,139,141)	60,62,63
Capital City Prod. (p.164-C-164-E)	99
Carnation Co., Foodservice (p.88-89)	33
Champion Industries (p.193)	85
Coco Lopez (p.189)	81
Coldelite Corp. of America (p.196)	95
Coldwater Seafood Corp. (p.128-129)	56
Commercial Aluminum Cookware Co. (p.191)	83
Custom Foods (p.74-75)	26
The Delfield Company (p.77,79,81)	27
Dole Packaged Foods (p.140)	
Electric Eel Mfg. Co., Inc. (p.196)	93
Equal Low Calorie Sweetner (p.82-83,85)	30,31
Frymaster Corp., Div. of Welbilt Corp. (p.127)	55
General Foods Corp., Boboli (p.105)	41
General Mills, Foodservice Div. (p.102-103)	40
Glenco-Star (p.70-71)	24
The Hall China Co. (p.186)	78
Hobart Corp. (p.IBC)	96
Hollowick, Inc. (p.196)	92
Holly Farms Foods, Inc. (p.180-181)	75
The Homer Laughlin China Company (p.130)	57
Hormel & Co., George A. (p.142-143)	64
Hunt Wesson Foodservice Div. (p.13-18)	5,6,7
Iceland Seafood Corp. (p.60-63)	20,21
Jade Range Co. (p.195)	89
John Morrell (p.172)	71
Kellogg Company (p.169)	
Knorr, CPC Foodservice (p.185)	77
Kronos-Central Prods., Inc. (p.136)	124
Lancaster Colony Commercial Products (p.194)	87
Le Gout Foods, Div. Fearn International, Inc. (p.163)	67
Lincoln Foodservice Products, Inc. (p.65)	22
McCormick/Schilling (p.106-107)	42,43
McGlaughlin Oil (p.196)	94
Marzetti Company, T. (p.164-G)	101
Master Disposers, Inc. (p.195)	91
Merico, Inc. (p.7)	1

continued on page 203

RESTAURANTS & INSTITUTIONS, a Cahners publication
1350 E. Touhy Ave., P.O. Box 5080, Des Plaines, IL 60017-5080 Phone: 312/635-8800.

BPA

Cahners Publishing Company, A Division of Reed Publishing USA ☐ Specialized Business Magazines for Building & Construction ☐ Manufacturing ☐ Foodservice & Lodging ☐ Electronics & Computers ☐ Interior Design ☐ Printing ☐ Publishing ☐ Industrial Research & Technology ☐ Health Care ☐ Entertainment ☐ Specialized Consumer Magazines: American Baby ☐ Modern Bride.

ABC

ABP

RESTAURANTS & INSTITUTIONS (ISSN 0273-5520) is published biweekly (with an additional issue in January, February, March, May, July, September and November) in national, demographic and separate editions by The Cahners Publishing Company, A Division of Reed Publishing USA, 275 Washington St., Newton, MA 02158-1630. Terrence M. McDermott, President; Charles H. Moodhe, Senior Vice President/General Manager, Chicago Division; Jerry D. Neth, Vice President/Publishing Operations; J.J. Walsh, Financial Vice President/Magazine Division; Thomas J. Dellamaria, Vice President/Production and Manufacturing. Circulation records are maintained at Cahners Publishing Company, 44 Cook St., Denver, CO 80206-5800. Phone: 303/388-4511. Second-class postage paid at Denver, CO 80206-5800 and additional mailing offices. Postmaster: Send address corrections to RESTAURANTS & INSTITUTIONS at our Denver address.

RESTAURANTS & INSTITUTIONS copyright 1989 by Reed Publishing USA; Ronald G. Segel, Chairman and Chief Executive Officer; Robert L. Krakoff, President and Chief Operating Officer; William M. Platt, Sr. Vice President.
Annual subscription rates for non-qualified people: USA, 1 year $99.95, 2 years $189.95; Canada/Mexico, 1 year $115, 2 years $205; other countries surface mail, 1 year $155, 2 years $290; and air mail, 1 year $240, 2 years $460. Except for special issues where price changes are indicated, single copies of regular issues are available for $10 (USA, Canada/Mexico and foreign). Please address all subscription mail to RESTAURANTS & INSTITUTIONS, 44 Cook St., Denver, CO 80206-5800. RESTAURANTS & INSTITUTIONS has also been published as "INSTITUTIONS, Magazine of the Service World" and INSTITUTIONS/VOLUME FEEDING MANAGEMENT.